

SHOREBANK DEVELOPMENT CORPORATION

Bank Holding Company: SHOREBANK CORPORATION
Chicago, Illinois

Granted Permission: December 1977

Initial Capitalization: \$150,000

Description: Shorebank Development Corporation (SDC) is a for-profit real estate development subsidiary of Shorebank Corporation. SDC develops and manages residential and commercial real estate. Since its inception in 1977, SDC has successfully developed over \$160 million of real estate in two under-invested communities in each of Chicago's South and West sides.

SDC's developments include: an array of low- and moderate-income rental properties, upscale historic properties and condominiums, award-winning, affordable single family homes, and the construction of a 110,000 square foot modern retail center which has been designed to anchor and strengthen neighborhood markets.

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SHOREBANK NEIGHBORHOOD INSTITUTE

Bank Holding Company: SHOREBANK CORPORATION
Chicago, Illinois

Granted Permission: December 1977

Initial Capitalization: Support from grants and contributions

Description: Shorebank Neighborhood Institute (SNI), a nonprofit affiliate of Shorebank Corporation, operates programs designed to bring market driven solutions to challenges facing urban communities. SNI, which focuses its economic development activities in the target Chicago neighborhoods of South Shore, Austin, and Mid South.

The primary goal of SNI is to bring together the nation's best nonprofit knowledge and private sector solutions to address the problems of economic disinvestment and joblessness. SNI supports both the supply and demand sides of the employment equation by helping local businesses develop and grow while preparing the neighborhood residents to work for these firms.

SNI's activities are focused in three areas: employment, entrepreneurship and wealth creation.

Employment: SNI addresses chronic unemployment by increasing the number of neighborhood residents employed in local businesses and factories through job training, job brokering, improved public schools, and worker support groups. SNI works directly with local company owners to identify labor force needs and facilitate placement of neighborhood residents. SNI has also developed one of the first private welfare-to-work programs providing temporary to permanent jobs to chronically unemployed individuals.

Entrepreneurship: Through a variety of techniques, including market research, management consulting, business networking, and incubators, SNI works with local businesses to help them improve their overall performance and increasing their ability to hire area residents. SNI provides access to funds and other resources for individuals interested in growing businesses in its target areas that result in employment of its target area residents. A loan fund currently capitalized at \$1.8 million has been established for this purpose. SNI develops entrepreneurs and provides support leading to success through the Runners Club program, focused on high potential African Americans. The

organization also provides business and development skills to youth through Studio Air, a design and production business where youth use technology to design, produce and sell T-shirts and other printable items to corporations, retail establishments and individuals.

Wealth Creation: SNI provides leadership and management of the Individual Development Accounts (IDAs) Program in collaboration with South Shore Bank. The program is designed to provide low-income people with financial management education and the opportunity to build assets (home, education, and business equipment) through a matched savings account.

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SHOREBANK ADVISORY SERVICES, INC.

Bank Holding Company: SHOREBANK CORPORATION
Chicago, Illinois

Granted Permission: December 1987

Initial Capitalization: \$100,000

Description: Shorebank Advisory Services (SAS) is a for-profit consulting firm providing technical assistance on community development banking and other community economic development strategies on a fee-for-service basis. SAS's primary clients include banks, community organizations, local governments, non-profit loan funds, foundations and other public and private entities which are active in the economic revitalization and development finance for low-wealth communities across the U.S. and abroad. SAS also provides fund management and investment services for institutions focused on development and developmental finance in the U.S. and abroad.

SAS has designed, advised, and helped start several dozen community development financial institutions (CDFIs), including development banks. SAS has also trained hundreds of community economic development institutions. Currently, SAS is working on projects with the Ford Foundation on both defining the assets of neighborhood markets and developing avenues on investors liquidity in CDFIs, finance support development on USAID in the Caucasus, fund management for National Committee Investment Fund, and housing business support plans for the Enterprise Foundation.

SAS plans to continue working to revitalize communities throughout the world. Some of this work will involve strengthening the capacity of existing CDFIs or creating new ones when needed.

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LINCOLN NEIGHBORHOOD REDEVELOPMENT CORPORATION
Milwaukee, Wisconsin

Bank Holding Company: MERCHANTS AND MANUFACTURERS
BANCORPORATION
Milwaukee, Wisconsin

Granted Permission: April 1989

Initial Capitalization: \$50,000

Description: The Lincoln Neighborhood Redevelopment Corporation (LNRC) is a nonprofit, wholly-owned subsidiary of Merchants & Manufacturers Bancorporation. LNRC was formed to restore abandoned and substandard residential, commercial and mixed-use properties in the Lincoln neighborhood on the south side of Milwaukee, Wisconsin.

LNRC began by purchasing a duplex that was remodeled and rented to two low- and moderate-income families. LNRC developed and administers the Lincoln Fund, initially a \$718,000 consortium that includes commitments from Lincoln Savings Bank Community Capital Corporation and Warner Cable.

LNRC also started the Lincoln Avenue Capital Project that purchased and rehabilitated three commercial buildings. These buildings now house the headquarters for Merchants and Manufacturers Bancorporation, the office of LNRC, a Mexican restaurant, and two apartments for low- and moderate-income families. The apartments were remodeled by the Bay View High School. After the completion of the apartments the Bay View High School once again collaborated with LNRC and remodeled another three homes, with one of the homes requiring a complete renovation.

In January of 1994, LNRC established the Affordable Mortgage Loan Program in which M&M's subsidiary banks, Layton State Bank, and M&I Bank have committed \$1.5 million in mortgage money earmarked for low-income home buyers in Milwaukee.

LNRC has also spearheaded the developments described below.

The Kosciuszko Lagoon Project, a pilot project for the Milwaukee County Parks system, with the goal is to make the lagoon self-rejuvenating, thereby eliminating costly recurring dredging, and securing a safe and enjoyable fishing environment for surrounding residents.

City Facade Grant Program, LNRC is a channel for this popular program. To date 16 facades have been renovated.

The Basilica Square Project, a joint project with the City of Milwaukee, Landmark Lighting, the St. Josaphat Basilica Foundation, and Wisconsin Electric Power Company that completely renovated the interiors at Sixth Street and Lincoln Avenue with a restored Basilica, landscaping, and other improvements.

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AREA DEVELOPMENT CORPORATION
Luxemburg, Wisconsin

Bank Holding Company: LUXEMBURG BANCSHARES, INC.
Luxemburg, Wisconsin

Granted Permission: November 1990

Initial Capitalization: \$200,000

Description: The Area Development Corporation (ADC) is a wholly-owned subsidiary of Luxemburg Bancshares, Inc. in Luxemburg, Wisconsin. The ADC was created to participate in the development of affordable, multifamily housing for senior citizens in Luxemburg and neighboring communities.

The ADC is working with a local organization, the Low-Income Housing Development Corporation, to develop affordable multifamily housing and is exploring a number of resources, such as the federal low-income housing tax credit and other state and federal programs that may be used to help finance the projects.

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SHOREBANK BIDCO, INC.
Marquette, Michigan

Bank Holding Company: SHOREBANK CORPORATION
Chicago, Illinois

Granted Permission: June 1992

Initial Capitalization: \$6.5 million

Description: Shorebank BIDCO, Inc. is a wholly-owned, for-profit subsidiary of Shorebank Corporation that is licensed and partially capitalized by the State of Michigan. A Michigan BIDCO is a business and industrial development corporation licensed and regulated by the state, and established to promote economic development through the provision of moderate-risk growth capital and management assistance to small businesses. Shorebank BIDCO, Inc. is located in Marquette, Michigan, serving 15 economically distressed counties in Michigan's Upper Peninsula. A second office, located in Detroit, opened fourth quarter 1999, targets investments to minority-owned businesses in distressed communities. Shorebank BIDCO, Inc. makes equity, subordinated debt and long-term seed investments in new and expanding small businesses. These investments generally provide "gap" financing for the non-bankable portion of the financing packages offered by conventional lenders.

Shorebank BIDCO's activities are conducted in conjunction with the Michigan Economic Development Corporation's (MEDC) Rural BIDCO Program. The MEDC provided a loan to the BIDCO that converts to a grant under a formula based on the number of new jobs and increased sales resulting from the BIDCO's activities in designated rural communities.

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NORTHERN INITIATIVES
Marquette, Michigan

Bank Holding Company: SHOREBANK CORPORATION
Chicago, Illinois

Granted Permission: June 1992

Initial Capitalization: \$1.5 million (operating and capital grants)

Description: Northern Initiatives is a nonprofit community development corporation jointly established by Northern Michigan University in Marquette, Michigan, and Shorebank Corporation in Chicago, Illinois. Its purpose is to provide business development assistance and microenterprise loan programs in Michigan's Upper Peninsula. Working in conjunction with Shorebank BIDCO, Northern Initiatives aims to spur economic development and job creation in the region.

Northern Initiatives focuses on assisting entrepreneurs, already established businesses and manufacturers in the area of business start-up and expansions.

Through the affiliation and support of the Michigan Manufacturing Technology Center, Northern Initiatives is able to provide training and consulting services, marketing research, and analysis and diversification; and Continuous Improvement Process workshops.

Northern Initiatives' affiliation to R.E.A.L. (Rural Entrepreneurship through Action Learning) provides students, adults and teachers the opportunity to participate in courses designed to develop the necessary skills for successful entrepreneurship.

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COMERICA COMMUNITY DEVELOPMENT CORPORATION
Detroit, Michigan

Bank Holding Company: COMERICA INCORPORATED
Detroit, Michigan

Granted Permission: June 1993

Initial Capitalization: \$3 million

Current Capitalization: \$9.5 million

Description: Comerica Community Development Center (CDC) invests in community development projects which support the creation of affordable housing units and employment for low-and moderate-income people.

Since its inception, Comerica CDC has invested over \$55 million in community developments. These investments typically support the construction of tax credit-qualifying affordable housing, taking the form of direct investments in affordable housing developments, investments in funds which direct capital to housing projects, and "side by side" partnerships with pooled fund partners. Benefiting developments range in size from a few units to projects which construct hundreds of units. Additionally, Comerica CDC has made loans that have enabled organizations to build affordable housing.

Complementing its housing-related investments, Comerica CDC has made investments in historic rehabilitation projects which qualify for tax credits and meet a community development purpose. Such projects must create jobs, eliminate of blight, or deliver services to low- and moderate-income communities. Among its investments, Comerica CDC assisted in financing the renovation of a former public school building, now a charter school in one of the poorest sections of Detroit.

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SHOREBANK ENTERPRISE GROUP, PACIFIC
Ilwaco, Washington

Bank Holding Company: SHOREBANK CORPORATION
Chicago, Illinois

Granted Permission: January 1995

Current Capitalization: \$4.5 million

Description: The mission of Shorebank Enterprise Pacific is to promote and guide development of the lower Columbia River watershed and other portions of the North American coastal temperate rainforest to create long term economic security for local stakeholders and prosperity within the productive and regenerative capacity of local ecosystems.

This mission is realized through: (1) creating and servicing demand for locally produced and conservation-based goods and services, (2) assisting the suppliers of these goods and services with their business needs, (3) leadership development and education, (4) a commitment to excellence in its own business operations, and (5) a thorough and on-going process of evaluating impact on local people, the communities in which they live, and the ecosystems which support those communities.

In 1999, Shorebank Enterprise became an approved community development financial institution by the U.S. Department of Treasury and received a \$503,000 grant.

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LOW-INCOME HOUSING INVESTMENT
Churchview Limited Partnership
Chicago, Illinois

Bank Holding Company: MARQUETTE NATIONAL CORPORATION
Chicago, Illinois

Granted Permission: June 1991

Investment: \$1,000,000

Description: Marquette National Corporation invested in the Churchview Limited Partnership, a low-income housing limited partnership created by the Greater Southwest Development Corporation (GSDC), a Chicago nonprofit development organization that operates in the southwest Chicago neighborhood of Chicago Lawn. GSDC serves as the general partner.

The partnership constructed a 60-unit apartment building that is affordable to low-income senior citizens living on \$6,000 to \$7,000 in annual income in the Chicago Lawn neighborhood. The project cost \$6.2 million.

Marquette National invested in the partnership and obtains the benefits of federal low-income housing tax credits. The State of Illinois also has provided a total of \$1 million in grant funds for the project.

On the strength of the original Churchview project, Marquette National Corporation is considering an additional investment in a second phase of construction which will add approximately 86 units of "assisted living" senior housing on the same campus. One of the benefits of adjoining buildings is the opportunity for residents to share a variety of services, such as on-site health care and wellness programs, food preparation and service, basic hair care, as well as a common area in which to socialize. The project targets low-income older adults residing in neighborhoods surrounding the Churchview facility.

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LOW-INCOME HOUSING INVESTMENTS

Bank Holding Company: OLD KENT FINANCIAL CORPORATION
Grand Rapids, Michigan

Investment Dates: September 1992 through December 1996

Investments: \$8,890,391

Description: Since 1989, Old Kent Bank has invested \$18,640,391 in nine project investments and 10 equity funds which have produced 5,264 units of affordable rental housing in the State of Michigan and the Greater Chicago area.

Chicago Equity Fund 1998 Limited Partnership (CEF 1998): A \$1 million investment on September 1, 1998 in a \$26 million equity fund. This fund has invested in four projects and produced 505 units of affordable housing. Projects serve the elderly and families in the Greater Chicago area.

Chicago Equity Fund 1997 Limited Partnership (CEF 1997): A \$500,000 investment on February 10, 1998 in a \$27,750,000 equity fund. This fund has invested in five projects and produced 574 units of affordable housing. Projects serve the elderly and families in the Greater Chicago area.

Michigan Capital Fund For Housing Limited Partnership V (MCF V): A \$4 million investment on July 28, 1999 in a \$40 million equity fund. This fund will invest in nine projects and is expected to produce 557 units of affordable housing. Projects serve the elderly and families and are located in Lansing, Grand Rapids, Muskegon, Bedford Township and Detroit.

Michigan Capital Fund For Housing Limited Partnership III (MCF III): A \$1 million investment on November 13, 1997 and a \$500,000 investment on January 21, 1998, in a \$20 million equity fund. This fund has invested in eight projects and produced 467 units of affordable housing. Projects serve the elderly, families and special needs individuals and are located in Detroit, Grand Rapids, Muskegon Heights, Marquette, and Hartford, Michigan.

Michigan Capital Fund For Housing Limited Partnership IV (MCF IV): A \$1,500,000 investment on November 17, 1998 and a \$500,000 investment on December 18, 1998 in a \$23 million equity fund. This fund has invested in eight projects and produced 535 units of affordable housing. Projects serve the elderly and families and are located in Detroit, Lansing, Ravenna, and Traverse City, Michigan.

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LOW-INCOME HOUSING INVESTMENT
Heritage Woods -- Phase II
The Armory
Columbus, Indiana

Bank Holding Company: SALIN BANK AND TRUST COMPANY

Granted Permission: April 1993 (Heritage Woods -- Phase II)
December 1996 (The Armory)

Initial Capitalization: \$60,000 (Heritage Woods -- Phase II)
\$308,566 (The Armory)

Description: Heritage Woods -- Phase II and the Armory Limited Partnership were established to develop and provide low-income housing units for the residents of Columbus, Indiana

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LOW-INCOME HOUSING INVESTMENT
Skyline Village Apartments
Markle, Indiana

Bank Holding Company: SALIN BANCSHARES, INC.

Granted Permission: 1986

Initial Capitalization: \$501,600

Description: Skyline Village was established to develop and provide low-income housing units for the residents of Markle, Indiana.

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LOW-INCOME HOUSING INVESTMENT
D.D. Development of Sterling, L.P.
Sterling, Illinois

Bank Holding Company: MERCANTILE BANCORPORATION, INC. OF ILLINOIS

Granted Permission: November 1993

Initial Investment: Maximum of \$360,000

Description: Mercantile Bancorporation, Inc. has invested \$344,000 in D.D. Development of Sterling Limited Partnership to provide affordable housing for low- and moderate-income and developmentally disabled residents of Whiteside County, Illinois. The investment qualifies for low-income housing tax credits.

The general partner for this project is the James Crangle Foundation, a nonprofit Illinois corporation, formed several years ago to provide facilities and housing and to aid in carrying out the rehabilitation functions of Rock River Valley Self-Help Enterprise, Inc., a nonprofit organization. Self-Help provides low cost rehabilitation, employment, and supervision to developmentally disabled people in the northwestern Illinois. The foundation currently owns two group homes and 11 duplex apartments managed by this organization.

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LOW-INCOME HOUSING INVESTMENTS

Bank Holding Company: BANK ONE CORPORATION
Chicago, Illinois

Granted Permission: January 1994

Initial Investment: \$30 million

Current Investment: Approximately \$960 million as of September 30, 1999

Description: Bank One Corporation through its wholly-owned subsidiaries (collectively, “Bank One”) arranges, makes equity investments in, provides loans to, and advises clients considering investments in and projects eligible for Section 42 low-income housing tax credits. Bank One conducts these activities on a national basis. These projects are sponsored by both for-profit and nonprofit developers and serve neighborhoods where the applicable city or state housing agency has determined need and has made a tax credit allocation.

The Ruth Shriman House is an 83-unit senior apartment development constructed within Chicago’s Uptown neighborhood, in which Bank One invested \$2,600,000. The project was developed by Ruth Shriman House, LCC, a tri-party alliance between Interfaith Housing Development Corporation of Chicago (“Interfaith”), Lakeview Action Coalition and Jane Adams Senior Caucus. Interfaith, a Chicago-based nonprofit affordable housing developer, is the Management General Partner and seeks guidance and input from two neighborhood based organizations that are strong supporters of senior housing needs.

The project includes a defined Social Services Plan to provide for a variety of services for residents through arrangements with various local organizations. The Jane Adams Senior Caucus will have an office in the building, and the White Crane Wellness Center will provide wellness programs on-site. Mental health services will be provided by the Counseling Center of Lakeview’s Older Adults program. Housing Opportunities and Maintenance for the Elderly will provide moving, furniture, furniture delivery service, and shopping bus service at no cost. The Social Services plan also provides for the establishment of a Resident Advisory Committee. The committee will assist property management in determining the sorts of activities to be offered and ways to foster interaction between tenants and residents of the surrounding community.

Construction and permanent debt financing for the project is provided through LaSalle Bank, Chicago Department of Housing (DOH) and Illinois Affordable Housing Trust Fund (a program of the Illinois Housing Development Authority (IHDA)). The interest rate on the LaSalle loan is fixed at closing, and converts from interest only to a 30-year term fully amortizing loan following construction completion. The DOH and IHDA loans are both at zero percent interest with 30-year maturities.

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